

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7643

BILL NUMBER: HB 1848

NOTE PREPARED: Jan 29, 2003

BILL AMENDED:

SUBJECT: Breast and Cervical Cancer Screening.

FIRST AUTHOR: Rep. Becker

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X

**GENERAL
DEDICATED
FEDERAL**

IMPACT: State

Summary of Legislation: This bill authorizes free screening for breast and cervical cancer for women: (1) who are at least 40 years of age; (2) who are not eligible for Medicaid; (3) who do not have credible health coverage; and (4) whose family income does not exceed 200% of the federal income poverty level. The bill requires the State Department of Health to reimburse a provider for providing these screening services.

Effective Date: July 1, 2003.

Explanation of State Expenditures: This bill expands eligibility for breast and cervical cancer screening services to qualified women. Total cost of the program is estimated at \$1.4 M. Total screening costs under the program are estimated to be approximately \$1.2 M. Depending upon the caseload mix, some of these costs may be eligible for federal reimbursement under the current program. The Department may require additional staff to administer the new program. Cost of additional staff is contingent upon administrative action. In addition, the Department may require an additional data management contract with the existing contractor for this portion of the program. The current contract cost is \$175,000.

This bill requires the State Department of Health to reimburse a provider for breast and cervical cancer screening. The bill does not explicitly require that the Department pay for treatment costs of women found to have breast cancer. The Department working in conjunction with FSSA may decide administratively to pay for treatment using Medicaid funds.

National Breast and Cervical Cancer Early Detection Program (NBCCEDP) - The federal Centers for Disease Control and Prevention (CDC) provides grant funds for the Indiana Breast and Cervical Cancer Screening Program (IBCCSP). Funding for the IBCCSP for FY 2002 and FY 2003 was \$2.4 M per year. Under this grant program, women between the ages of 40 and 64 who meet specific guidelines are eligible for free breast cancer screening. Women age 18 to 64 who meet specific guidelines are eligible for free cervical cancer screening. Due to budgetary and clinical reasons, the CDC has established priorities that specifically focus on women 50 years old and older for mammography screening. These guidelines allow the

state to provide mammography services to some women less than 50 years of age. The federal priorities require that women over the age of 50 must comprise at least 75% of the total number of women receiving mammograms through the program. Under the current program, the average per person screening and diagnostic costs are \$225 for cancer screening combined. The BCCSP screening cost is based upon current Medicare rates. The program currently serves a total of 7,500 women ages 40 to 64 for breast cancer screening and ages 18 to 64 for cervical cancer screening.

A woman that seeks screening under the program must first contact the Department in order to ensure that the woman meets the eligibility requirements. In addition, diagnostic services require prior authorization to ensure availability of funds. The State Department of Health receives \$100,000 in state General Fund money to provide diagnostic services to women enrolled in the BCCSP program. Additional funds may be required to provide diagnostic screening to women screened under the provisions of this bill.

Some portion of the women eligible under the provisions of this bill may be served under the existing federally funded program. Department of Health staff state that the program currently serves the maximum number of women under 50 that is allowed. In addition, the cost to the state may increase if the NBCCEDP population expanded beyond the capacity of the CDC grant or if the amount of the CDC grant is reduced in subsequent years.

Program Administration Costs: The current federally funded program employs approximately 40 state employees. Department staff state that the Centers for Disease Control guidelines that govern the current program do not allow staff multitasking. Thus, a state-funded program may require additional staff. Depending upon administrative action, the Department may contract with outside entities for program services or hire new staff. The Department currently contracts with an outside company for HIPPA-compliant billing software and services at a cost of \$175,000 per year. It is not currently known if the contractor would charge the state a reduced rate for the additional work or charge full rate. Contract costs are subject to administrative actions and negotiation. **Estimated Cost:** \$175,000.

Depending upon Department administrative action, additional state employees may be required for the state-funded program. If additional employees are required, program costs would increase. Total costs associated with hiring a SAM PAT IV are \$51,390 per year. Cost of additional employees are contingent upon job class. **Estimated Cost:** Contingent upon administrative action.

Screening Costs: For this analysis it is assumed that the Department uses Medicare rates, used by IBCCP, for breast and cervical cancer screening. In addition, this analysis assumes that the new state program would screen a maximum of 5,139 women (based upon American Cancer Society data) age 40-49 for breast cancer. Based on these assumptions, the cost of the screening program is estimated to be approximately \$1.2 M per year. This figure is subject to change based upon the actual number of women screened each year and cost per screening. **Estimated Cost:** \$1.2 M depending upon number of women screened.

Treatment Costs: This bill requires that the Department of Health pay for breast cancer screening for women age 40-49. It does not explicitly require that the Department pay for treatment costs of women found to have breast cancer. The Department working in conjunction with FSSA may administratively decide to pay for costs associated with treatment. The Michigan program at one time used state money for screening mammograms for this age group. If an individual was found to have breast cancer the woman was presumptively eligible for Medicaid funding for breast cancer treatment. The Department and FSSA may decide administratively to pay for treatment using Medicaid funds as well. The number of women requiring treatment is unknown at this time. Current cost of treatment for women enrolled in the program is

approximately \$7,100 per woman per year. The state share of this cost is 38% based upon current Medicaid FMAP rates.

Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

Background Information: 2001 data from the State Department of Health Breast and Cervical Cancer Early Detection program reports cancer rates to be 2% for breast cancer, 0.08% for cervical cancer, and 1.3% for abnormal PAP smears and precancerous tumors, and 0.35% for abnormal mammograms. The total number of women screened in the first year is unknown. For the purpose of this analysis the number is assumed to be a maximum of 5,139 women total receiving breast cancer screening. The current program screens approximately 4,500 women for breast cancer and 3,000 women for cervical cancer each year.

Michigan Breast and Cervical Cancer Screening Program: The Michigan BCCCP program served women 40-64 at or below 250% FPL up until December 2002. The program lost state funding for the screening mammograms for women aged 40-49. This program can still provide all of the other federally funded services for these women, i.e., cervical cancer screening, clinical breast exams, and treatment. The Michigan program used state funding to provide screening mammograms to women otherwise ineligible for this service under the federal NBCCEDP. These women received all other screening services: cervical cancer screening and clinical breast exams through NBCCEDP funding. If a screening mammogram (paid for with state funds) indicated breast cancer, then the woman was presumptively eligible for Medicaid to pay for treatment.

Michigan receives approximately \$8 M a year in CDC grant money for screening. Last year the Michigan program screened a total of 22,000 women. Of these, 140 received treatment for breast cancer and 45 for cervical cancer. Approximately 10,500 of these women were 40-49 years old. The Michigan program has 12 state staff, delegates additional duties to staff in the local health clinics, and works in partnership with the American Cancer Society. The local providers and the Karmanos Cancer Institute have administrative control of the program.

The Illinois program was contacted for information but has not yet responded.

Explanation of State Revenues: *Federal Funding:* The state currently operates the National Breast and Cervical Cancer Early Detection Program for women over the age of 40. Based upon federal requirements, the state risks losing all federal funding for this program if more than 25% of the screening mammography caseload consists of women younger than 50. If the program were extended to women age 40 and older, and the caseload exceeded this 25% cutoff, straight state funds would be used for these additional women. Total Federal funds for this program were \$2.4 M for FY 2002.

Explanation of Local Expenditures: *Medical Treatment Expenses:* This bill does not include any provision for treatment of women screened. If a woman is found to have cancer and requires, but cannot afford, treatment, they may present at a county-owned hospital or to the township Poor Relief program. Depending upon administrative action, these women may receive treatment at additional cost to the county. Current cost per patient in the federally funded program is approximately \$7,000 annually. Cost to county hospitals for treatment is dependent upon the number of women that request treatment, administrative action by the hospital, and treatment required.

Explanation of Local Revenues:

State Agencies Affected: State Department of Health.

Local Agencies Affected: County Hospitals.

Information Sources: Zach Cattell, Indiana State Department of Health, 317-233-2170; Amy Kruzan, FSSA, 317-232-1149; Kathy Gifford, OMPP, FSSA, 317 233-4455; Paulette Valliere, Program Director, Michigan Breast and Cervical Cancer Control Program, (517) 335-8049; Patricia Richards, American Cancer Society, 317-347-6674; US Census, *State & County QuickFacts*, <http://quickfacts.census.gov/qfd/>

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